

**AMENDMENT TO H.R. 1776, AS REPORTED**  
**OFFERED BY MR. LEACH OF IOWA, MR. LAFALCE**  
**OF NEW YORK, MR. LAZIO OF NEW YORK, OR**  
**MR. FRANK OF MASSACHUSETTS**

Page 28, line 24, after the comma insert “except that elementary education shall include pre-Kindergarten education, and”.

Page 36, strike line 13, and all that follows through page 37, line 2, and insert the following:

**1 SEC. 206. COMMUNITY PARTNERS NEXT DOOR PROGRAM.**

2 (a) SHORT TITLE.—This section may be cited as the  
3 “Community Partners Next Door Act”.

4 (b) CONGRESSIONAL FINDINGS.—The Congress finds  
5 that—

6 (1) teachers, law enforcement officers, fire  
7 fighters, and rescue personnel help form the back-  
8 bones of communities and are integral components  
9 in the social capital of neighborhoods in the United  
10 States; and

11 (2) providing a discounted purchase price on  
12 HUD-owned properties for teachers, law enforce-  
13 ment officers, fire fighters, and rescue personnel rec-  
14 ognizes the intrinsic value of the services provided by  
15 such employees to their communities and to family

1       life and encourages and rewards those who are dedi-  
2       cated to providing public service in our most needy  
3       communities.

Page 37, line 10, after “TEACHERS” insert “AND  
PUBLIC SAFETY OFFICERS”.

Page 37, line 14, after “teacher” insert “or public  
safety officer”.

Page 38, line 2, after “teacher” insert “or public  
safety officer”.

Page 38, line 9, after “teacher” insert “or public  
safety officer”.

Page 38, line 11, after “teacher” insert “or public  
safety officer”.

Page 38, line 20, after “teacher” insert “or public  
safety officer”.

Page 39, line 4, after “teacher” insert “or public  
safety officer”.

Page 39, strike line 15, and all that follows through  
page 40, line 6.

Page 40, line 7, strike “(H)” and insert “(G)”.

Page 40, after line 20, insert the following:

1                   “(iii) The term ‘public safety officer’  
2                   means an individual who is employed on a  
3                   full-time basis as a public safety officer de-  
4                   scribed in section 203(b)(10)(B)(i)(I)(bb).

Page 40, line 21, strike “(iii)” and insert “(iv)”.

Page 40, line 24 after “State-certified” insert “or  
State-licensed”.

Page 40, line 24, before “ad-” insert “or as an”.

Page 41, lines 14 and 15, strike “**COMMUNITY DE-  
VELOPMENT FINANCIAL INSTITUTION**”.

Strike line 24 on page 41 and all that follows  
through page 42, line 1, and insert the following:

5                   (A) in the first sentence, by inserting “and  
6                   insured community development financial insti-  
7                   tutions” after “private mortgage insurers”;

Page 42, strike lines 12 through 15, and insert the  
following:

8                   (A) in the first sentence, by inserting “and  
9                   with insured community development financial  
10                  institutions” before the period at the end;

Page 42, after line 18, insert the following new sub-  
paragraph:

1 (C) in the second sentence, by inserting  
2 “and insured community development financial  
3 institutions” after “private mortgage insurance  
4 companies”;

Page 42, line 19, strike “(C)” and insert “(D)”.

Page 43, line 3, strike “(D)” and insert “(E)”.

Page 43, strike lines 17 through 23 and insert the  
following:

5 (B) in the second sentence, by inserting  
6 “or insured community development financial  
7 institution” after “private mortgage insurance  
8 company”;  
9 (6) in subsection (d), by inserting “or insured  
10 community development financial institution” after  
11 “private mortgage insurance company”; and

Page 59, line 10, strike “1 year” and insert “3  
months”.

Page 59, after line 23, insert the following new sec-  
tion:

1 **SEC. 212. SENSE OF CONGRESS REGARDING MAKING PROP-**  
2 **ERTIES AVAILABLE FOR HOMEOWNERSHIP**  
3 **PROGRAMS.**

4 It is the sense of the Congress that the Secretary of  
5 Housing and Urban Development should consult with the  
6 heads of other agencies of the Federal Government that  
7 own or hold properties appropriate for use as housing to  
8 determine the possibility and effectiveness of including  
9 such properties in programs that make housing available  
10 for law enforcement officers, teachers, or fire fighters.

Page 110, after line 2, insert the following:

11 The Secretary may not treat any application for a grant  
12 under this section adversely in any manner solely on the  
13 basis that the homeownership zone is located, in whole or  
14 in part, within unincorporated areas.

Page 119, after line 1, insert the following new sub-  
section:

15 (a) EXTENSION OF PROGRAMS.—  
16 (1) EMERGENCY HOMEOWNERSHIP COUN-  
17 SELING.—Section 106(c)(9) of the Housing and  
18 Urban Development Act of 1968 (12 U.S.C.  
19 1701x(c)(9)) is amended by striking “September 30,  
20 2000” and inserting “September 30, 2005”.

1           (2) PREPURCHASE AND FORECLOSURE PREVEN-  
2           TION     COUNSELING     DEMONSTRATION.—Section  
3           106(d)(12) of the Housing and Urban Development  
4           Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended  
5           by striking “fiscal year 1994” and inserting “fiscal  
6           year 2005”.

Page 119, line 2, before “Section” insert “(b) COOP-  
ERATIVE OWNERSHIP HOUSING CORPORATIONS.—

Page 121, strike lines 12 and 13 and insert the fol-  
lowing:

7       **TITLE VII—NATIVE AMERICAN**  
8               **HOMEOWNERSHIP**  
9               **Subtitle A—Native American**  
10               **Housing**

Page 138, strike lines 12 through 18 and insert the  
following new subsection:

11       (j) LABOR STANDARDS.—Section 104(b) of the Na-  
12       tive American Housing Assistance and Self-Determination  
13       Act of 1996 (25 U.S.C. 4114(b) is amended—  
14           (1) in paragraph (1), by striking “Davis-Bacon  
15       Act (40 U.S.C. 276a–276a–5)” and inserting “Act  
16       of March 3, 1931 (commonly known as the Davis-  
17       Bacon Act; chapter 411; 46 Stat. 1494; 40 U.S.C  
18       276a et seq.)”; and

1 (2) by adding at the end the following new  
2 paragraph:

3 “(3) APPLICATION OF TRIBAL LAWS.—Para-  
4 graph (1) shall not apply to any contract or agree-  
5 ment for assistance, sale, or lease pursuant to this  
6 Act, if such contract or agreement is otherwise cov-  
7 ered by one or more laws or regulations adopted by  
8 an Indian tribe that requires the payment of not less  
9 than prevailing wages, as determined by the Indian  
10 tribe.”.

Page 139, after line 16, insert the following new  
subtitle:

11 **Subtitle B—Native Hawaiian**  
12 **Housing**

13 **SEC. 721. SHORT TITLE.**

14 This subtitle may be cited as the “Hawaiian Home-  
15 lands Homeownership Act of 2000”.

16 **SEC. 722. FINDINGS.**

17 The Congress finds that—

18 (1) the United States has undertaken a respon-  
19 sibility to promote the general welfare of the United  
20 States by—

21 (A) employing its resources to remedy the  
22 unsafe and unsanitary housing conditions and

1 the acute shortage of decent, safe, and sanitary  
2 dwellings for families of lower income; and

3 (B) developing effective partnerships with  
4 governmental and private entities to accomplish  
5 the objectives referred to in subparagraph (A);

6 (2) the United States has a special responsi-  
7 bility for the welfare of the Native peoples of the  
8 United States, including Native Hawaiians;

9 (3) pursuant to the provisions of the Hawaiian  
10 Homes Commission Act, 1920 (42 Stat. 108 et  
11 seq.), the United States set aside 200,000 acres of  
12 land in the Federal territory that later became the  
13 State of Hawaii in order to establish a homeland for  
14 the native people of Hawaii—Native Hawaiians;

15 (4) despite the intent of Congress in 1920 to  
16 address the housing needs of Native Hawaiians  
17 through the enactment of the Hawaiian Homes  
18 Commission Act, 1920 (42 Stat. 108 et seq.), Native  
19 Hawaiians eligible to reside on the Hawaiian home  
20 lands have been foreclosed from participating in  
21 Federal housing assistance programs available to all  
22 other eligible families in the United States;

23 (5) although Federal housing assistance pro-  
24 grams have been administered on a racially neutral  
25 basis in the State of Hawaii, Native Hawaiians con-



1       tinue to have the greatest unmet need for housing  
2       and the highest rates of overcrowding in the United  
3       States;

4               (6) among the Native American population of  
5       the United States, Native Hawaiians experience the  
6       highest percentage of housing problems in the  
7       United States, as the percentage—

8               (A) of housing problems in the Native Ha-  
9       waiian population is 49 percent, as compared  
10      to—

11              (i) 44 percent for American Indian  
12              and Alaska Native households in Indian  
13              country; and

14              (ii) 27 percent for all other house-  
15              holds in the United States; and

16              (B) overcrowding in the Native Hawaiian  
17              population is 36 percent as compared to 3 per-  
18              cent for all other households in the United  
19              States;

20              (7) among the Native Hawaiian population, the  
21              needs of Native Hawaiians, as that term is defined  
22              in section 801 of the Native American Housing As-  
23              sistance and Self-Determination Act of 1996, as  
24              added by section 723 of this subtitle, eligible to re-

1 side on the Hawaiian Home Lands are the most se-  
2 vere, as—

3 (A) the percentage of overcrowding in Na-  
4 tive Hawaiian households on the Hawaiian  
5 Home Lands is 36 percent; and

6 (B) approximately 13,000 Native Hawai-  
7 ians, which constitute 95 percent of the Native  
8 Hawaiians who are eligible to reside on the Ha-  
9 waiian Home Lands, are in need of housing;

10 (8) applying the Department of Housing and  
11 Urban Development guidelines—

12 (A) 70.8 percent of Native Hawaiians who  
13 either reside or who are eligible to reside on the  
14 Hawaiian Home Lands have incomes that fall  
15 below the median family income; and

16 (B) 50 percent of Native Hawaiians who  
17 either reside or who are eligible to reside on the  
18 Hawaiian Home Lands have incomes below 30  
19 percent of the median family income;

20 (9)  $\frac{1}{3}$  of those Native Hawaiians who are eligi-  
21 ble to reside on the Hawaiian Home Lands pay  
22 more than 30 percent of their income for shelter,  
23 and  $\frac{1}{2}$  of those Native Hawaiians face overcrowding;

24 (10) the extraordinarily severe housing needs of  
25 Native Hawaiians demonstrate that Native Hawai-

1       ians who either reside on, or are eligible to reside on,  
2       Hawaiian Home Lands have been denied equal ac-  
3       cess to Federal low-income housing assistance pro-  
4       grams available to other qualified residents of the  
5       United States, and that a more effective means of  
6       addressing their housing needs must be authorized;

7           (11) consistent with the recommendations of  
8       the National Commission on American Indian, Alas-  
9       ka Native, and Native Hawaiian Housing, and in  
10      order to address the continuing prevalence of ex-  
11      traordinarily severe housing needs among Native  
12      Hawaiians who either reside or are eligible to reside  
13      on the Hawaiian Home Lands, Congress finds it  
14      necessary to extend the Federal low-income housing  
15      assistance available to American Indians and Alaska  
16      Natives under the Native American Housing Assist-  
17      ance and Self-Determination Act of 1996 (25 U.S.C.  
18      4101 et seq.) to those Native Hawaiians;

19           (12) under the treaty-making power of the  
20      United States, Congress had the constitutional au-  
21      thority to confirm a treaty between the United  
22      States and the government that represented the Ha-  
23      waiian people, and from 1826 until 1893, the United  
24      States recognized the independence of the Kingdom  
25      of Hawaii, extended full diplomatic recognition to

1 the Hawaiian Government, and entered into treaties  
2 and conventions with the Hawaiian monarchs to gov-  
3 ern commerce and navigation in 1826, 1842, 1849,  
4 1875, and 1887;

5 (13) the United States has recognized and re-  
6 affirmed that—

7 (A) Native Hawaiians have a cultural, his-  
8 toric, and land-based link to the indigenous peo-  
9 ple who exercised sovereignty over the Hawaiian  
10 Islands, and that group has never relinquished  
11 its claims to sovereignty or its sovereign lands;

12 (B) Congress does not extend services to  
13 Native Hawaiians because of their race, but be-  
14 cause of their unique status as the indigenous  
15 people of a once sovereign nation as to whom  
16 the United States has established a trust rela-  
17 tionship;

18 (C) Congress has also delegated broad au-  
19 thority to administer a portion of the Federal  
20 trust responsibility to the State of Hawaii;

21 (D) the political status of Native Hawai-  
22 ians is comparable to that of American Indians  
23 and Alaska Natives; and

24 (E) the aboriginal, indigenous people of  
25 the United States have—

1 (i) a continuing right to autonomy in  
2 their internal affairs; and

3 (ii) an ongoing right of self-deter-  
4 mination and self-governance that has  
5 never been extinguished;

6 (14) the political relationship between the  
7 United States and the Native Hawaiian people has  
8 been recognized and reaffirmed by the United States  
9 as evidenced by the inclusion of Native Hawaiians  
10 in—

11 (A) the Native American Programs Act of  
12 1974 (42 U.S.C. 2291 et seq.);

13 (B) the American Indian Religious Free-  
14 dom Act (42 U.S.C. 1996 et seq.);

15 (C) the National Museum of the American  
16 Indian Act (20 U.S.C. 80q et seq.);

17 (D) the Native American Graves Protec-  
18 tion and Repatriation Act (25 U.S.C. 3001 et  
19 seq.);

20 (E) the National Historic Preservation Act  
21 (16 U.S.C. 470 et seq.);

22 (F) the Native American Languages Act of  
23 1992 (106 Stat. 3434);

1 (G) the American Indian, Alaska Native  
2 and Native Hawaiian Culture and Arts Devel-  
3 opment Act (20 U.S.C. 4401 et seq.);

4 (H) the Job Training Partnership Act (29  
5 U.S.C. 1501 et seq.); and

6 (I) the Older Americans Act of 1965 (42  
7 U.S.C. 3001 et seq.); and

8 (15) in the area of housing, the United States  
9 has recognized and reaffirmed the political relation-  
10 ship with the Native Hawaiian people through—

11 (A) the enactment of the Hawaiian Homes  
12 Commission Act, 1920 (42 Stat. 108 et seq.),  
13 which set aside approximately 200,000 acres of  
14 public lands that became known as Hawaiian  
15 Home Lands in the Territory of Hawaii that  
16 had been ceded to the United States for home-  
17 steading by Native Hawaiians in order to reha-  
18 bilitate a landless and dying people;

19 (B) the enactment of the Act entitled “An  
20 Act to provide for the admission of the State of  
21 Hawaii into the Union”, approved March 18,  
22 1959 (73 Stat. 4)—

23 (i) by ceding to the State of Hawaii  
24 title to the public lands formerly held by  
25 the United States, and mandating that

1           those lands be held in public trust, for the  
2           betterment of the conditions of Native Ha-  
3           waiians, as that term is defined in section  
4           201 of the Hawaiian Homes Commission  
5           Act, 1920 (42 Stat. 108 et seq.); and

6                   (ii) by transferring the United States  
7           responsibility for the administration of Ha-  
8           waiian Home Lands to the State of Ha-  
9           waii, but retaining the authority to enforce  
10          the trust, including the exclusive right of  
11          the United States to consent to any actions  
12          affecting the lands which comprise the cor-  
13          pus of the trust and any amendments to  
14          the Hawaiian Homes Commission Act,  
15          1920 (42 Stat. 108 et seq.), enacted by the  
16          legislature of the State of Hawaii affecting  
17          the rights of beneficiaries under the Act;

18                   (C) the authorization of mortgage loans in-  
19          sured by the Federal Housing Administration  
20          for the purchase, construction, or refinancing of  
21          homes on Hawaiian Home Lands under the Na-  
22          tional Housing Act (Public Law 479, 73d Con-  
23          gress; 12 U.S.C. 1701 et seq.);

24                   (D) authorizing Native Hawaiian represen-  
25          tation on the National Commission on Amer-

1           ican Indian, Alaska Native, and Native Hawai-  
2           ian Housing under Public Law 101–235;

3           (E) the inclusion of Native Hawaiians in  
4           the definition under section 3764 of title 38,  
5           United States Code, applicable to subchapter V  
6           of chapter 37 of title 38, United States Code  
7           (relating to a housing loan program for Native  
8           American veterans); and

9           (F) the enactment of the Hawaiian Home  
10          Lands Recovery Act (109 Stat. 357; 48 U.S.C.  
11          491, note prec.) which establishes a process for  
12          the conveyance of Federal lands to the Depart-  
13          ment of Hawaiian Homes Lands that are equiv-  
14          alent in value to lands acquired by the United  
15          States from the Hawaiian Home Lands inven-  
16          tory.

17 **SEC. 723. HOUSING ASSISTANCE.**

18          The Native American Housing Assistance and Self-  
19          Determination Act of 1996 (25 U.S.C. 4101 et seq.) is  
20          amended by adding at the end the following:

21 **“TITLE VIII—HOUSING ASSIST-**  
22 **ANCE FOR NATIVE HAWAI-**  
23 **LIANS**

24 **“SEC. 801. DEFINITIONS.**

25          “In this title:



1           “(1) DEPARTMENT OF HAWAIIAN HOME LANDS;  
2           DEPARTMENT.—The term ‘Department of Hawaiian  
3           Home Lands’ or ‘Department’ means the agency or  
4           department of the government of the State of Ha-  
5           waii that is responsible for the administration of the  
6           Hawaiian Homes Commission Act, 1920 (42 Stat.  
7           108 et seq.).

8           “(2) DIRECTOR.—The term ‘Director’ means  
9           the Director of the Department of Hawaiian Home  
10          Lands.

11          “(3) ELDERLY FAMILIES; NEAR-ELDERLY FAMI-  
12          LIES.—

13               “(A) IN GENERAL.—The term ‘elderly  
14               family’ or ‘near-elderly family’ means a family  
15               whose head (or his or her spouse), or whose sole  
16               member, is—

17                       “(i) for an elderly family, an elderly  
18                       person; or

19                       “(ii) for a near-elderly family, a near-  
20                       elderly person.

21               “(B) CERTAIN FAMILIES INCLUDED.—The  
22               term ‘elderly family’ or ‘near-elderly family’  
23               includes—

1 “(i) 2 or more elderly persons or near-  
2 elderly persons, as the case may be, living  
3 together; and

4 “(ii) 1 or more persons described in  
5 clause (i) living with 1 or more persons de-  
6 termined under the housing plan to be es-  
7 sential to their care or well-being.

8 “(4) HAWAIIAN HOME LANDS.—The term ‘Ha-  
9 waiian Home Lands’ means lands that—

10 “(A) have the status as Hawaiian home  
11 lands under section 204 of the Hawaiian  
12 Homes Commission Act, 1920(42 Stat. 110); or

13 “(B) are acquired pursuant to that Act.

14 “(5) HOUSING AREA.—The term ‘housing area’  
15 means an area of Hawaiian Home Lands with re-  
16 spect to which the Department of Hawaiian Home  
17 Lands is authorized to provide assistance for afford-  
18 able housing under this Act.

19 “(6) HOUSING ENTITY.—The term ‘housing en-  
20 tity’ means the Department of Hawaiian Home  
21 Lands.

22 “(7) HOUSING PLAN.—The term ‘housing plan’  
23 means a plan developed by the Department of Ha-  
24 waiian Home Lands.

1           “(8) MEDIAN INCOME.—The term ‘median in-  
2           come’ means, with respect to an area that is a Ha-  
3           waiian housing area, the greater of—

4                   “(A) the median income for the Hawaiian  
5           housing area, which shall be determined by the  
6           Secretary; or

7                   “(B) the median income for the State of  
8           Hawaii.

9           “(9) NATIVE HAWAIIAN.—The term ‘Native  
10          Hawaiian’ means any individual who is—

11                   “(A) a citizen of the United States; and

12                   “(B) a descendant of the aboriginal people,  
13          who, prior to 1778, occupied and exercised sov-  
14          ereignty in the area that currently constitutes  
15          the State of Hawaii, as evidenced by—

16                   “(i) genealogical records;

17                   “(ii) verification by kupuna (elders) or  
18          kama’aina (long-term community resi-  
19          dents); or

20                   “(iii) birth records of the State of Ha-  
21          waii.

22   **“SEC. 802. BLOCK GRANTS FOR AFFORDABLE HOUSING**  
23           **ACTIVITIES.**

24           “(a) GRANT AUTHORITY.—For each fiscal year, the  
25   Secretary shall (to the extent amounts are made available

1 to carry out this title) make a grant under this title to  
2 the Department of Hawaiian Home Lands to carry out  
3 affordable housing activities for Native Hawaiian families  
4 who are eligible to reside on the Hawaiian Home Lands.

5 “(b) PLAN REQUIREMENT.—

6 “(1) IN GENERAL.—The Secretary may make a  
7 grant under this title to the Department of Hawai-  
8 ian Home Lands for a fiscal year only if—

9 “(A) the Director has submitted to the  
10 Secretary a housing plan for that fiscal year;  
11 and

12 “(B) the Secretary has determined under  
13 section 804 that the housing plan complies with  
14 the requirements of section 803.

15 “(2) WAIVER.—The Secretary may waive the  
16 applicability of the requirements under paragraph  
17 (1), in part, if the Secretary finds that the Depart-  
18 ment of Hawaiian Home Lands has not complied or  
19 cannot comply with those requirements due to cir-  
20 cumstances beyond the control of the Department of  
21 Hawaiian Home Lands.

22 “(c) USE OF AFFORDABLE HOUSING ACTIVITIES  
23 UNDER PLAN.—Except as provided in subsection (e),  
24 amounts provided under a grant under this section may  
25 be used only for affordable housing activities under this

1 title that are consistent with a housing plan approved  
2 under section 804.

3 “(d) ADMINISTRATIVE EXPENSES.—

4 “(1) IN GENERAL.—The Secretary shall, by  
5 regulation, authorize the Department of Hawaiian  
6 Home Lands to use a percentage of any grant  
7 amounts received under this title for any reasonable  
8 administrative and planning expenses of the Depart-  
9 ment relating to carrying out this title and activities  
10 assisted with those amounts.

11 “(2) ADMINISTRATIVE AND PLANNING EX-  
12 PENSES.—The administrative and planning expenses  
13 referred to in paragraph (1) include—

14 “(A) costs for salaries of individuals en-  
15 gaged in administering and managing afford-  
16 able housing activities assisted with grant  
17 amounts provided under this title; and

18 “(B) expenses incurred in preparing a  
19 housing plan under section 803.

20 “(e) PUBLIC-PRIVATE PARTNERSHIPS.—The Direc-  
21 tor shall make all reasonable efforts, consistent with the  
22 purposes of this title, to maximize participation by the pri-  
23 vate sector, including nonprofit organizations and for-  
24 profit entities, in implementing a housing plan that has  
25 been approved by the Secretary under section 803.

1   **“SEC. 803. HOUSING PLAN.**

2       “(a) PLAN SUBMISSION.—The Secretary shall—

3           “(1) require the Director to submit a housing  
4       plan under this section for each fiscal year; and

5           “(2) provide for the review of each plan sub-  
6       mitted under paragraph (1).

7       “(b) 5-YEAR PLAN.—Each housing plan under this  
8       section shall—

9           “(1) be in a form prescribed by the Secretary;  
10      and

11          “(2) contain, with respect to the 5-year period  
12      beginning with the fiscal year for which the plan is  
13      submitted, the following information:

14           “(A) MISSION STATEMENT.—A general  
15      statement of the mission of the Department of  
16      Hawaiian Home Lands to serve the needs of  
17      the low-income families to be served by the De-  
18      partment.

19           “(B) GOAL AND OBJECTIVES.—A state-  
20      ment of the goals and objectives of the Depart-  
21      ment of Hawaiian Home Lands to enable the  
22      Department to serve the needs identified in  
23      subparagraph (A) during the period.

24           “(C) ACTIVITIES PLANS.—An overview of  
25      the activities planned during the period includ-  
26      ing an analysis of the manner in which the ac-

1           tivities will enable the Department to meet its  
2           mission, goals, and objectives.

3           “(c) 1-YEAR PLAN.—A housing plan under this sec-  
4   tion shall—

5           “(1) be in a form prescribed by the Secretary;  
6           and

7           “(2) contain the following information relating  
8           to the fiscal year for which the assistance under this  
9           title is to be made available:

10           “(A) GOALS AND OBJECTIVES.—A state-  
11           ment of the goals and objectives to be accom-  
12           plished during the period covered by the plan.

13           “(B) STATEMENT OF NEEDS.—A state-  
14           ment of the housing needs of the low-income  
15           families served by the Department and the  
16           means by which those needs will be addressed  
17           during the period covered by the plan,  
18           including—

19           “(i) a description of the estimated  
20           housing needs and the need for assistance  
21           for the low-income families to be served by  
22           the Department, including a description of  
23           the manner in which the geographical dis-  
24           tribution of assistance is consistent with—

1                   “(I) the geographical needs of  
2                   those families; and

3                   “(II) needs for various categories  
4                   of housing assistance; and

5                   “(ii) a description of the estimated  
6                   housing needs for all families to be served  
7                   by the Department.

8                   “(C) FINANCIAL RESOURCES.—An oper-  
9                   ating budget for the Department of Hawaiian  
10                  Home Lands, in a form prescribed by the Sec-  
11                  retary, that includes—

12                  “(i) an identification and a descrip-  
13                  tion of the financial resources reasonably  
14                  available to the Department to carry out  
15                  the purposes of this title, including an ex-  
16                  planation of the manner in which amounts  
17                  made available will be used to leverage ad-  
18                  ditional resources; and

19                  “(ii) the uses to which the resources  
20                  described in clause (i) will be committed,  
21                  including—

22                         “(I) eligible and required afford-  
23                         able housing activities; and

24                         “(II) administrative expenses.



1                   “(D)     AFFORDABLE     HOUSING     RE-  
2                   SOURCES.—A statement of the affordable hous-  
3                   ing resources currently available at the time of  
4                   the submittal of the plan and to be made avail-  
5                   able during the period covered by the plan,  
6                   including—

7                   “(i) a description of the significant  
8                   characteristics of the housing market in  
9                   the State of Hawaii, including the avail-  
10                  ability of housing from other public  
11                  sources, private market housing;

12                  “(ii) the manner in which the charac-  
13                  teristics referred to in clause (i) influence  
14                  the decision of the Department of Hawai-  
15                  ian Home Lands to use grant amounts to  
16                  be provided under this title for—

17                         “(I) rental assistance;

18                         “(II) the production of new units;

19                         “(III) the acquisition of existing  
20                         units; or

21                         “(IV) the rehabilitation of units;

22                         “(iii) a description of the structure,  
23                         coordination, and means of cooperation be-  
24                         tween the Department of Hawaiian Home  
25                         Lands and any other governmental entities

1 in the development, submission, or imple-  
2 mentation of housing plans, including a de-  
3 scription of—

4 “(I) the involvement of private,  
5 public, and nonprofit organizations  
6 and institutions;

7 “(II) the use of loan guarantees  
8 under section 184A of the Housing  
9 and Community Development Act of  
10 1992; and

11 “(III) other housing assistance  
12 provided by the United States, includ-  
13 ing loans, grants, and mortgage insur-  
14 ance;

15 “(iv) a description of the manner in  
16 which the plan will address the needs iden-  
17 tified pursuant to subparagraph (C);

18 “(v) a description of—

19 “(I) any existing or anticipated  
20 homeownership programs and rental  
21 programs to be carried out during the  
22 period covered by the plan; and

23 “(II) the requirements and as-  
24 sistance available under the programs  
25 referred to in subclause (I);

1 “(vi) a description of—

2 “(I) any existing or anticipated  
3 housing rehabilitation programs nec-  
4 essary to ensure the long-term viabil-  
5 ity of the housing to be carried out  
6 during the period covered by the plan;  
7 and

8 “(II) the requirements and as-  
9 sistance available under the programs  
10 referred to in subclause (I);

11 “(vii) a description of—

12 “(I) all other existing or antici-  
13 pated housing assistance provided by  
14 the Department of Hawaiian Home  
15 Lands during the period covered by  
16 the plan, including—

17 “(aa) transitional housing;

18 “(bb) homeless housing;

19 “(cc) college housing; and

20 “(dd) supportive services  
21 housing; and

22 “(II) the requirements and as-  
23 sistance available under such pro-  
24 grams;

1 “(viii)(I) a description of any housing  
2 to be demolished or disposed of;

3 “(II) a timetable for that demolition  
4 or disposition; and

5 “(III) any other information required  
6 by the Secretary with respect to that dem-  
7 olition or disposition;

8 “(ix) a description of the manner in  
9 which the Department of Hawaiian Home  
10 Lands will coordinate with welfare agencies  
11 in the State of Hawaii to ensure that resi-  
12 dents of the affordable housing will be pro-  
13 vided with access to resources to assist in  
14 obtaining employment and achieving self-  
15 sufficiency;

16 “(x) a description of the requirements  
17 established by the Department of Hawai-  
18 ian Home Lands to—

19 “(I) promote the safety of resi-  
20 dents of the affordable housing;

21 “(II) facilitate the undertaking of  
22 crime prevention measures;

23 “(III) allow resident input and  
24 involvement, including the establish-  
25 ment of resident organizations; and

1                   “(IV) allow for the coordination  
2                   of crime prevention activities between  
3                   the Department and local law enforce-  
4                   ment officials; and

5                   “(xi) a description of the entities that  
6                   will carry out the activities under the plan,  
7                   including the organizational capacity and  
8                   key personnel of the entities.

9                   “(E) CERTIFICATION OF COMPLIANCE.—  
10                  Evidence of compliance that shall include, as  
11                  appropriate—

12                  “(i) a certification that the Depart-  
13                  ment of Hawaiian Home Lands will com-  
14                  ply with—

15                  “(I) title VI of the Civil Rights  
16                  Act of 1964 (42 U.S.C. 2000d et seq.)  
17                  or with the Fair Housing Act (42  
18                  U.S.C. 3601 et seq.) in carrying out  
19                  this title, to the extent that such title  
20                  is applicable; and

21                  “(II) other applicable Federal  
22                  statutes;

23                  “(ii) a certification that the Depart-  
24                  ment will require adequate insurance cov-  
25                  erage for housing units that are owned and

1           operated or assisted with grant amounts  
2           provided under this title, in compliance  
3           with such requirements as may be estab-  
4           lished by the Secretary;

5           “(iii) a certification that policies are  
6           in effect and are available for review by the  
7           Secretary and the public governing the eli-  
8           gibility, admission, and occupancy of fami-  
9           lies for housing assisted with grant  
10          amounts provided under this title;

11          “(iv) a certification that policies are  
12          in effect and are available for review by the  
13          Secretary and the public governing rents  
14          charged, including the methods by which  
15          such rents or homebuyer payments are de-  
16          termined, for housing assisted with grant  
17          amounts provided under this title; and

18          “(v) a certification that policies are in  
19          effect and are available for review by the  
20          Secretary and the public governing the  
21          management and maintenance of housing  
22          assisted with grant amounts provided  
23          under this title.

24          “(d) APPLICABILITY OF CIVIL RIGHTS STATUTES.—

1           “(1) IN GENERAL.—To the extent that the re-  
2           quirements of title VI of the Civil Rights Act of  
3           1964 (42 U.S.C. 2000d et seq.) or of the Fair Hous-  
4           ing Act (42 U.S.C. 3601 et seq.) apply to assistance  
5           provided under this title, nothing in the require-  
6           ments concerning discrimination on the basis of race  
7           shall be construed to prevent the provision of assist-  
8           ance under this title—

9                   “(A) to the Department of Hawaiian  
10           Home Lands on the basis that the Department  
11           served Native Hawaiians; or

12                   “(B) to an eligible family on the basis that  
13           the family is a Native Hawaiian family.

14           “(2) CIVIL RIGHTS.—Program eligibility under  
15           this title may be restricted to Native Hawaiians.  
16           Subject to the preceding sentence, no person may be  
17           discriminated against on the basis of race, color, na-  
18           tional origin, religion, sex, familial status, or dis-  
19           ability.

20           “(e) USE OF NONPROFIT ORGANIZATIONS.—As a  
21           condition of receiving grant amounts under this title, the  
22           Department of Hawaiian Home Lands shall, to the extent  
23           practicable, provide for private nonprofit organizations ex-  
24           perienced in the planning and development of affordable

1 housing for Native Hawaiians to carry out affordable  
2 housing activities with those grant amounts.

3 **“SEC. 804. REVIEW OF PLANS.**

4 “(a) REVIEW AND NOTICE.—

5 “(1) REVIEW.—

6 “(A) IN GENERAL.—The Secretary shall  
7 conduct a review of a housing plan submitted to  
8 the Secretary under section 803 to ensure that  
9 the plan complies with the requirements of that  
10 section.

11 “(B) LIMITATION.—The Secretary shall  
12 have the discretion to review a plan referred to  
13 in subparagraph (A) only to the extent that the  
14 Secretary considers that the review is necessary.

15 “(2) NOTICE.—

16 “(A) IN GENERAL.—Not later than 60  
17 days after receiving a plan under section 803,  
18 the Secretary shall notify the Director of the  
19 Department of Hawaiian Home Lands whether  
20 the plan complies with the requirements under  
21 that section.

22 “(B) EFFECT OF FAILURE OF SECRETARY  
23 TO TAKE ACTION.—For purposes of this title, if  
24 the Secretary does not notify the Director, as  
25 required under this subsection and subsection



1 (b), upon the expiration of the 60-day period  
2 described in subparagraph (A)—

3 “(i) the plan shall be considered to  
4 have been determined to comply with the  
5 requirements under section 803; and

6 “(ii) the Director shall be considered  
7 to have been notified of compliance.

8 “(b) NOTICE OF REASONS FOR DETERMINATION OF  
9 NONCOMPLIANCE.—If the Secretary determines that a  
10 plan submitted under section 803 does not comply with  
11 the requirements of that section, the Secretary shall speci-  
12 fy in the notice under subsection (a)—

13 “(1) the reasons for noncompliance; and

14 “(2) any modifications necessary for the plan to  
15 meet the requirements of section 803.

16 “(c) REVIEW.—

17 “(1) IN GENERAL.—After the Director of the  
18 Department of Hawaiian Home Lands submits a  
19 housing plan under section 803, or any amendment  
20 or modification to the plan to the Secretary, to the  
21 extent that the Secretary considers such action to be  
22 necessary to make a determination under this sub-  
23 section, the Secretary shall review the plan (includ-  
24 ing any amendments or modifications thereto) to de-  
25 termine whether the contents of the plan—

1           “(A) set forth the information required by  
2           section 803 to be contained in the housing plan;

3           “(B) are consistent with information and  
4           data available to the Secretary; and

5           “(C) are not prohibited by or inconsistent  
6           with any provision of this Act or any other ap-  
7           plicable law.

8           “(2) INCOMPLETE PLANS.—If the Secretary de-  
9           termines under this subsection that any of the ap-  
10          propriate certifications required under section  
11          803(c)(2)(E) are not included in a plan, the plan  
12          shall be considered to be incomplete.

13          “(d) UPDATES TO PLAN.—

14               “(1) IN GENERAL.—Subject to paragraph (2),  
15          after a plan under section 803 has been submitted  
16          for a fiscal year, the Director of the Department of  
17          Hawaiian Home Lands may comply with the provi-  
18          sions of that section for any succeeding fiscal year  
19          (with respect to information included for the 5-year  
20          period under section 803(b) or for the 1-year period  
21          under section 803(c)) by submitting only such infor-  
22          mation regarding such changes as may be necessary  
23          to update the plan previously submitted.

24               “(2) COMPLETE PLANS.—The Director shall  
25          submit a complete plan under section 803 not later

1       than 4 years after submitting an initial plan under  
2       that section, and not less frequently than every 4  
3       years thereafter.

4       “(e) EFFECTIVE DATE.—This section and section  
5       803 shall take effect on the date provided by the Secretary  
6       pursuant to section 807(a) to provide for timely submis-  
7       sion and review of the housing plan as necessary for the  
8       provision of assistance under this title for fiscal year 2001.

9       **“SEC. 805. TREATMENT OF PROGRAM INCOME AND LABOR**  
10               **STANDARDS.**

11       “(a) PROGRAM INCOME.—

12               “(1) AUTHORITY TO RETAIN.—The Department  
13       of Hawaiian Home Lands may retain any program  
14       income that is realized from any grant amounts re-  
15       ceived by the Department under this title if—

16                       “(A) that income was realized after the ini-  
17       tial disbursement of the grant amounts received  
18       by the Department; and

19                       “(B) the Director agrees to use the pro-  
20       gram income for affordable housing activities in  
21       accordance with the provisions of this title.

22       “(2) PROHIBITION OF REDUCTION OF GRANT.—  
23       The Secretary may not reduce the grant amount for  
24       the Department of Hawaiian Home Lands based  
25       solely on—

1                   “(A) whether the Department retains pro-  
2                   gram income under paragraph (1); or

3                   “(B) the amount of any such program in-  
4                   come retained.

5                   “(3) EXCLUSION OF AMOUNTS.—The Secretary  
6                   may, by regulation, exclude from consideration as  
7                   program income any amounts determined to be so  
8                   small that compliance with the requirements of this  
9                   subsection would create an unreasonable administra-  
10                  tive burden on the Department.

11                  “(b) LABOR STANDARDS.—

12                  “(1) IN GENERAL.—Any contract or agreement  
13                  for assistance, sale, or lease pursuant to this title  
14                  shall contain—

15                  “(A) a provision requiring that an amount  
16                  not less than the wages prevailing in the local-  
17                  ity, as determined or adopted (subsequent to a  
18                  determination under applicable State or local  
19                  law) by the Secretary, shall be paid to all archi-  
20                  tects, technical engineers, draftsmen, techni-  
21                  cians employed in the development and all  
22                  maintenance, and laborers and mechanics em-  
23                  ployed in the operation, of the affordable hous-  
24                  ing project involved; and

1           “(B) a provision that an amount not less  
2           than the wages prevailing in the locality, as pre-  
3           determined by the Secretary of Labor pursuant  
4           to the Act commonly known as the ‘Davis-  
5           Bacon Act’ (46 Stat. 1494, chapter 411; 40  
6           U.S.C. 276a et seq.) shall be paid to all labor-  
7           ers and mechanics employed in the development  
8           of the affordable housing involved.

9           “(2) EXCEPTIONS.—Paragraph (1) and provi-  
10          sions relating to wages required under paragraph (1)  
11          in any contract or agreement for assistance, sale, or  
12          lease under this title, shall not apply to any indi-  
13          vidual who performs the services for which the indi-  
14          vidual volunteered and who is not otherwise em-  
15          ployed at any time in the construction work and re-  
16          ceived no compensation or is paid expenses, reason-  
17          able benefits, or a nominal fee for those services.

18       **“SEC. 806. ENVIRONMENTAL REVIEW.**

19           “(a) IN GENERAL.—

20           “(1) RELEASE OF FUNDS.—

21           “(A) IN GENERAL.—The Secretary may  
22           carry out the alternative environmental protec-  
23           tion procedures described in subparagraph (B)  
24           in order to ensure—

1 “(i) that the policies of the National  
2 Environmental Policy Act of 1969 (42  
3 U.S.C. 4321 et seq.) and other provisions  
4 of law that further the purposes of such  
5 Act (as specified in regulations issued by  
6 the Secretary) are most effectively imple-  
7 mented in connection with the expenditure  
8 of grant amounts provided under this title;  
9 and

10 “(ii) to the public undiminished pro-  
11 tection of the environment.

12 “(B) ALTERNATIVE ENVIRONMENTAL PRO-  
13 TECTION PROCEDURE.—In lieu of applying en-  
14 vironmental protection procedures otherwise ap-  
15 plicable, the Secretary may by regulation pro-  
16 vide for the release of funds for specific projects  
17 to the Department of Hawaiian Home Lands if  
18 the Director of the Department assumes all of  
19 the responsibilities for environmental review,  
20 decisionmaking, and action under the National  
21 Environmental Policy Act of 1969 (42 U.S.C.  
22 4321 et seq.), and such other provisions of law  
23 as the regulations of the Secretary specify, that  
24 would apply to the Secretary were the Secretary  
25 to undertake those projects as Federal projects.

1 “(2) REGULATIONS.—

2 “(A) IN GENERAL.—The Secretary shall  
3 issue regulations to carry out this section only  
4 after consultation with the Council on Environ-  
5 mental Quality.

6 “(B) CONTENTS.—The regulations issued  
7 under this paragraph shall—

8 “(i) provide for the monitoring of the  
9 environmental reviews performed under  
10 this section;

11 “(ii) in the discretion of the Secretary,  
12 facilitate training for the performance of  
13 such reviews; and

14 “(iii) provide for the suspension or  
15 termination of the assumption of respon-  
16 sibilities under this section.

17 “(3) EFFECT ON ASSUMED RESPONSIBILITY.—

18 The duty of the Secretary under paragraph (2)(B)  
19 shall not be construed to limit or reduce any respon-  
20 sibility assumed by the Department of Hawaiian  
21 Home Lands for grant amounts with respect to any  
22 specific release of funds.

23 “(b) PROCEDURE.—

24 “(1) IN GENERAL.—The Secretary shall author-  
25 ize the release of funds subject to the procedures

1 under this section only if, not less than 15 days be-  
2 fore that approval and before any commitment of  
3 funds to such projects, the Director of the Depart-  
4 ment of Hawaiian Home Lands submits to the Sec-  
5 retary a request for such release accompanied by a  
6 certification that meets the requirements of sub-  
7 section (c).

8 “(2) EFFECT OF APPROVAL.—The approval of  
9 the Secretary of a certification described in para-  
10 graph (1) shall be deemed to satisfy the responsibil-  
11 ities of the Secretary under the National Environ-  
12 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.)  
13 and such other provisions of law as the regulations  
14 of the Secretary specify to the extent that those re-  
15 sponsibilities relate to the releases of funds for  
16 projects that are covered by that certification.

17 “(c) CERTIFICATION.—A certification under the pro-  
18 cedures under this section shall—

19 “(1) be in a form acceptable to the Secretary;

20 “(2) be executed by the Director of the Depart-  
21 ment of Hawaiian Home Lands;

22 “(3) specify that the Department of Hawaiian  
23 Home Lands has fully carried out its responsibilities  
24 as described under subsection (a); and

25 “(4) specify that the Director—



1           “(A) consents to assume the status of a re-  
2           sponsible Federal official under the National  
3           Environmental Policy Act of 1969 (42 U.S.C.  
4           4321 et seq.) and each provision of law speci-  
5           fied in regulations issued by the Secretary to  
6           the extent that those laws apply by reason of  
7           subsection (a); and

8           “(B) is authorized and consents on behalf  
9           of the Department of Hawaiian Home Lands  
10          and the Director to accept the jurisdiction of  
11          the Federal courts for the purpose of enforce-  
12          ment of the responsibilities of the Director of  
13          the Department of Hawaiian Home Lands as  
14          such an official.

15   **“SEC. 807. REGULATIONS.**

16          “The Secretary shall issue final regulations necessary  
17   to carry out this title not later than October 1, 2001.

18   **“SEC. 808. EFFECTIVE DATE.**

19          “Except as otherwise expressly provided in this title,  
20   this title shall take effect on the date of enactment of the  
21   American Homeownership and Economic Opportunity Act  
22   of 2000.

23   **“SEC. 809. AFFORDABLE HOUSING ACTIVITIES.**

24          “(a) NATIONAL OBJECTIVES AND ELIGIBLE FAMI-  
25   LIES.—

1           “(1) PRIMARY OBJECTIVE.—The national objec-  
2           tives of this title are—

3                   “(A) to assist and promote affordable  
4           housing activities to develop, maintain, and op-  
5           erate affordable housing in safe and healthy en-  
6           vironments for occupancy by low-income Native  
7           Hawaiian families;

8                   “(B) to ensure better access to private  
9           mortgage markets and to promote self-suffi-  
10          ciency of low-income Native Hawaiian families;

11                  “(C) to coordinate activities to provide  
12          housing for low-income Native Hawaiian fami-  
13          lies with Federal, State and local activities to  
14          further economic and community development;

15                  “(D) to plan for and integrate infrastruc-  
16          ture resources on the Hawaiian Home Lands  
17          with housing development; and

18                  “(E) to—

19                          “(i) promote the development of pri-  
20                  vate capital markets; and

21                          “(ii) allow the markets referred to in  
22                  clause (i) to operate and grow, thereby  
23                  benefiting Native Hawaiian communities.

24           “(2) ELIGIBLE FAMILIES.—

1           “(A) IN GENERAL.—Except as provided  
2           under subparagraph (B), assistance for eligible  
3           housing activities under this title shall be lim-  
4           ited to low-income Native Hawaiian families.

5           “(B) EXCEPTION TO LOW-INCOME RE-  
6           QUIREMENT.—

7           “(i) IN GENERAL.—The Director may  
8           provide assistance for homeownership ac-  
9           tivities under—

10                   “(I) section 810(b);

11                   “(II) model activities under sec-  
12                   tion 810(f); or

13                   “(III) loan guarantee activities  
14                   under section 184A of the Housing  
15                   and Community Development Act of  
16                   1992 to Native Hawaiian families who  
17                   are not low-income families, to the ex-  
18                   tent that the Secretary approves the  
19                   activities under that section to ad-  
20                   dress a need for housing for those  
21                   families that cannot be reasonably  
22                   met without that assistance.

23           “(ii) LIMITATIONS.—The Secretary  
24           shall establish limitations on the amount of  
25           assistance that may be provided under this

1 title for activities for families that are not  
2 low-income families.

3 “(C) OTHER FAMILIES.—Notwithstanding  
4 paragraph (1), the Director may provide hous-  
5 ing or housing assistance provided through af-  
6 fordable housing activities assisted with grant  
7 amounts under this title to a family that is not  
8 composed of Native Hawaiians if—

9 “(i) the Department determines that  
10 the presence of the family in the housing  
11 involved is essential to the well-being of  
12 Native Hawaiian families; and

13 “(ii) the need for housing for the fam-  
14 ily cannot be reasonably met without the  
15 assistance.

16 “(D) PREFERENCE.—

17 “(i) IN GENERAL.—A housing plan  
18 submitted under section 803 may authorize  
19 a preference, for housing or housing assist-  
20 ance provided through affordable housing  
21 activities assisted with grant amounts pro-  
22 vided under this title to be provided, to the  
23 extent practicable, to families that are eli-  
24 gible to reside on the Hawaiian Home  
25 Lands.

1                   “(ii) APPLICATION.—In any case in  
2                   which a housing plan provides for pref-  
3                   erence described in clause (i), the Director  
4                   shall ensure that housing activities that are  
5                   assisted with grant amounts under this  
6                   title are subject to that preference.

7                   “(E) USE OF NONPROFIT ORGANIZA-  
8                   TIONS.—As a condition of receiving grant  
9                   amounts under this title, the Department of  
10                  Hawaiian Home Lands, shall to the extent  
11                  practicable, provide for private nonprofit orga-  
12                  nizations experienced in the planning and devel-  
13                  opment of affordable housing for Native Hawai-  
14                  ians to carry out affordable housing activities  
15                  with those grant amounts.

16   **“SEC. 810. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.**

17                  “(a) IN GENERAL.—Affordable housing activities  
18                  under this section are activities conducted in accordance  
19                  with the requirements of section 811 to—

20                  “(1) develop or to support affordable housing  
21                  for rental or homeownership; or

22                  “(2) provide housing services with respect to af-  
23                  fordable housing, through the activities described in  
24                  subsection (b).

1       “(b) ACTIVITIES.—The activities described in this  
2 subsection are the following:

3           “(1) DEVELOPMENT.—The acquisition, new  
4 construction, reconstruction, or moderate or sub-  
5 stantial rehabilitation of affordable housing, which  
6 may include—

7           “(A) real property acquisition;

8           “(B) site improvement;

9           “(C) the development of utilities and util-  
10 ity services;

11           “(D) conversion;

12           “(E) demolition;

13           “(F) financing;

14           “(G) administration and planning; and

15           “(H) other related activities.

16           “(2) HOUSING SERVICES.—The provision of  
17 housing-related services for affordable housing,  
18 including—

19           “(A) housing counseling in connection with  
20 rental or homeownership assistance;

21           “(B) the establishment and support of  
22 resident organizations and resident manage-  
23 ment corporations;

24           “(C) energy auditing;

1           “(D) activities related to the provisions of  
2 self-sufficiency and other services; and

3           “(E) other services related to assisting  
4 owners, tenants, contractors, and other entities  
5 participating or seeking to participate in other  
6 housing activities assisted pursuant to this sec-  
7 tion.

8           “(3) HOUSING MANAGEMENT SERVICES.—The  
9 provision of management services for affordable  
10 housing, including—

11           “(A) the preparation of work specifica-  
12 tions;

13           “(B) loan processing;

14           “(C) inspections;

15           “(D) tenant selection;

16           “(E) management of tenant-based rental  
17 assistance; and

18           “(F) management of affordable housing  
19 projects.

20           “(4) CRIME PREVENTION AND SAFETY ACTIVI-  
21 TIES.—The provision of safety, security, and law en-  
22 forcement measures and activities appropriate to  
23 protect residents of affordable housing from crime.

24           “(5) MODEL ACTIVITIES.—Housing activities  
25 under model programs that are—

1           “(A) designed to carry out the purposes of  
2           this title; and

3           “(B) specifically approved by the Secretary  
4           as appropriate for the purpose referred to in  
5           subparagraph (A).

6   **“SEC. 811. PROGRAM REQUIREMENTS.**

7       “(a) RENTS.—

8           “(1) ESTABLISHMENT.—Subject to paragraph  
9           (2), as a condition to receiving grant amounts under  
10          this title, the Director shall develop written policies  
11          governing rents and homebuyer payments charged  
12          for dwelling units assisted under this title, including  
13          methods by which such rents and homebuyer pay-  
14          ments are determined.

15          “(2) MAXIMUM RENT.—In the case of any low-  
16          income family residing in a dwelling unit assisted  
17          with grant amounts under this title, the monthly  
18          rent or homebuyer payment (as applicable) for that  
19          dwelling unit may not exceed 30 percent of the  
20          monthly adjusted income of that family.

21       “(b) MAINTENANCE AND EFFICIENT OPERATION.—

22          “(1) IN GENERAL.—The Director shall, using  
23          amounts of any grants received under this title, re-  
24          serve and use for operating under section 810 such  
25          amounts as may be necessary to provide for the con-



1       tinued maintenance and efficient operation of such  
2       housing.

3               “(2) DISPOSAL OF CERTAIN HOUSING.—This  
4       subsection may not be construed to prevent the Di-  
5       rector, or any entity funded by the Department,  
6       from demolishing or disposing of housing, pursuant  
7       to regulations established by the Secretary.

8               “(c) INSURANCE COVERAGE.—As a condition to re-  
9       ceiving grant amounts under this title, the Director shall  
10      require adequate insurance coverage for housing units that  
11      are owned or operated or assisted with grant amounts pro-  
12      vided under this title.

13              “(d) ELIGIBILITY FOR ADMISSION.—As a condition  
14      to receiving grant amounts under this title, the Director  
15      shall develop written policies governing the eligibility, ad-  
16      mission, and occupancy of families for housing assisted  
17      with grant amounts provided under this title.

18              “(e) MANAGEMENT AND MAINTENANCE.—As a con-  
19      dition to receiving grant amounts under this title, the Di-  
20      rector shall develop policies governing the management  
21      and maintenance of housing assisted with grant amounts  
22      under this title.

1   **“SEC. 812. TYPES OF INVESTMENTS.**

2           “(a) IN GENERAL.—Subject to section 811 and an  
3 applicable housing plan approved under section 803, the  
4 Director shall have—

5           “(1) the discretion to use grant amounts for af-  
6 fordable housing activities through the use of—

7                   “(A) equity investments;

8                   “(B) interest-bearing loans or advances;

9                   “(C) noninterest-bearing loans or ad-  
10 vances;

11                   “(D) interest subsidies;

12                   “(E) the leveraging of private investments;

13           or

14                   “(F) any other form of assistance that the  
15 Secretary determines to be consistent with the  
16 purposes of this title; and

17           “(2) the right to establish the terms of assist-  
18 ance provided with funds referred to in paragraph  
19 (1).

20           “(b) INVESTMENTS.—The Director may invest grant  
21 amounts for the purposes of carrying out affordable hous-  
22 ing activities in investment securities and other obliga-  
23 tions, as approved by the Secretary.

1   **“SEC. 813. LOW-INCOME REQUIREMENT AND INCOME TAR-**  
2                   **GETING.**

3           “(a) IN GENERAL.—Housing shall qualify for afford-  
4   able housing for purposes of this title only if—

5               “(1) each dwelling unit in the housing—

6                   “(A) in the case of rental housing, is made  
7           available for occupancy only by a family that is  
8           a low-income family at the time of the initial  
9           occupancy of that family of that unit; and

10               “(B) in the case of housing for home-  
11           ownership, is made available for purchase only  
12           by a family that is a low-income family at the  
13           time of purchase; and

14               “(2) each dwelling unit in the housing will re-  
15   main affordable, according to binding commitments  
16   satisfactory to the Secretary, for—

17                   “(A) the remaining useful life of the prop-  
18           erty (as determined by the Secretary) without  
19           regard to the term of the mortgage or to trans-  
20           fer of ownership; or

21                   “(B) such other period as the Secretary  
22           determines is the longest feasible period of time  
23           consistent with sound economics and the pur-  
24           poses of this title, except upon a foreclosure by  
25           a lender (or upon other transfer in lieu of fore-  
26           closure) if that action—

1                   “(i) recognizes any contractual or  
2                   legal rights of any public agency, nonprofit  
3                   sponsor, or other person or entity to take  
4                   an action that would—

5                   “(I) avoid termination of low-in-  
6                   come affordability, in the case of fore-  
7                   closure; or

8                   “(II) transfer ownership in lieu  
9                   of foreclosure; and

10                  “(ii) is not for the purpose of avoiding  
11                  low-income affordability restrictions, as de-  
12                  termined by the Secretary.

13                  “(b) EXCEPTION.—Notwithstanding subsection (a),  
14                  housing assisted pursuant to section 809(a)(2)(B) shall be  
15                  considered affordable housing for purposes of this title.

16                  **“SEC. 814. LEASE REQUIREMENTS AND TENANT SELEC-**  
17                  **TION.**

18                  “(a) LEASES.—Except to the extent otherwise pro-  
19                  vided by or inconsistent with the laws of the State of Ha-  
20                  waii, in renting dwelling units in affordable housing as-  
21                  sisted with grant amounts provided under this title, the  
22                  Director, owner, or manager shall use leases that—

23                  “(1) do not contain unreasonable terms and  
24                  conditions;

1           “(2) require the Director, owner, or manager to  
2           maintain the housing in compliance with applicable  
3           housing codes and quality standards;

4           “(3) require the Director, owner, or manager to  
5           give adequate written notice of termination of the  
6           lease, which shall be the period of time required  
7           under applicable State or local law;

8           “(4) specify that, with respect to any notice of  
9           eviction or termination, notwithstanding any State  
10          or local law, a resident shall be informed of the op-  
11          portunity, before any hearing or trial, to examine  
12          any relevant documents, record, or regulations di-  
13          rectly related to the eviction or termination;

14          “(5) require that the Director, owner, or man-  
15          ager may not terminate the tenancy, during the  
16          term of the lease, except for serious or repeated vio-  
17          lation of the terms and conditions of the lease, viola-  
18          tion of applicable Federal, State, or local law, or for  
19          other good cause; and

20          “(6) provide that the Director, owner, or man-  
21          ager may terminate the tenancy of a resident for  
22          any activity, engaged in by the resident, any member  
23          of the household of the resident, or any guest or  
24          other person under the control of the resident,  
25          that—

1           “(A) threatens the health or safety of, or  
2           right to peaceful enjoyment of the premises by,  
3           other residents or employees of the Department,  
4           owner, or manager;

5           “(B) threatens the health or safety of, or  
6           right to peaceful enjoyment of their premises  
7           by, persons residing in the immediate vicinity of  
8           the premises; or

9           “(C) is criminal activity (including drug-re-  
10          lated criminal activity) on or off the premises.

11       “(b) TENANT OR HOMEBUYER SELECTION.—As a  
12       condition to receiving grant amounts under this title, the  
13       Director shall adopt and use written tenant and home-  
14       buyer selection policies and criteria that—

15           “(1) are consistent with the purpose of pro-  
16       viding housing for low-income families;

17           “(2) are reasonably related to program eligi-  
18       bility and the ability of the applicant to perform the  
19       obligations of the lease; and

20           “(3) provide for—

21           “(A) the selection of tenants and home-  
22       buyers from a written waiting list in accordance  
23       with the policies and goals set forth in an appli-  
24       cable housing plan approved under section 803;  
25       and

1                   “(B) the prompt notification in writing of  
2                   any rejected applicant of the grounds for that  
3                   rejection.

4   **“SEC. 815. REPAYMENT.**

5           “If the Department of Hawaiian Home Lands uses  
6   grant amounts to provide affordable housing under activi-  
7   ties under this title and, at any time during the useful  
8   life of the housing, the housing does not comply with the  
9   requirement under section 813(a)(2), the Secretary  
10 shall—

11           “(1) reduce future grant payments on behalf of  
12   the Department by an amount equal to the grant  
13   amounts used for that housing (under the authority  
14   of section 819(a)(2)); or

15           “(2) require repayment to the Secretary of any  
16   amount equal to those grant amounts.

17   **“SEC. 816. ANNUAL ALLOCATION.**

18           “For each fiscal year, the Secretary shall allocate any  
19   amounts made available for assistance under this title for  
20   the fiscal year, in accordance with the formula established  
21   pursuant to section 817 to the Department of Hawaiian  
22   Home Lands if the Department complies with the require-  
23   ments under this title for a grant under this title.

1   **“SEC. 817. ALLOCATION FORMULA.**

2           “(a) ESTABLISHMENT.—The Secretary shall, by reg-  
3   ulation issued not later than the expiration of the 6-month  
4   period beginning on the date of enactment of the Amer-  
5   ican Homeownership and Economic Opportunity Act of  
6   2000, in the manner provided under section 807, establish  
7   a formula to provide for the allocation of amounts avail-  
8   able for a fiscal year for block grants under this title in  
9   accordance with the requirements of this section.

10          “(b) FACTORS FOR DETERMINATION OF NEED.—

11   The formula under subsection (a) shall be based on factors  
12   that reflect the needs for assistance for affordable housing  
13   activities, including—

14           “(1) the number of low-income dwelling units  
15       owned or operated at the time pursuant to a con-  
16       tract between the Director and the Secretary;

17           “(2) the extent of poverty and economic distress  
18       and the number of Native Hawaiian families eligible  
19       to reside on the Hawaiian Home Lands; and

20           “(3) any other objectively measurable condi-  
21       tions that the Secretary and the Director may speci-  
22       fy.

23          “(c) OTHER FACTORS FOR CONSIDERATION.—In es-  
24   tablishing the formula under subsection (a), the Secretary  
25   shall consider the relative administrative capacities of the



1 Department of Hawaiian Home Lands and other chal-  
2 lenges faced by the Department, including—

3 “(1) geographic distribution within Hawaiian  
4 Home Lands; and

5 “(2) technical capacity.

6 “(d) EFFECTIVE DATE.—This section shall take ef-  
7 fect on the date of enactment of the American Home-  
8 ownership and Economic Opportunity Act of 2000.

9 **“SEC. 818. REMEDIES FOR NONCOMPLIANCE.**

10 “(a) ACTIONS BY SECRETARY AFFECTING GRANT  
11 AMOUNTS.—

12 “(1) IN GENERAL.—Except as provided in sub-  
13 section (b), if the Secretary finds after reasonable  
14 notice and opportunity for a hearing that the De-  
15 partment of Hawaiian Home Lands has failed to  
16 comply substantially with any provision of this title,  
17 the Secretary shall—

18 “(A) terminate payments under this title  
19 to the Department;

20 “(B) reduce payments under this title to  
21 the Department by an amount equal to the  
22 amount of such payments that were not ex-  
23 pended in accordance with this title; or

1           “(C) limit the availability of payments  
2           under this title to programs, projects, or activi-  
3           ties not affected by such failure to comply.

4           “(2) ACTIONS.—If the Secretary takes an ac-  
5           tion under subparagraph (A), (B), or (C) of para-  
6           graph (1), the Secretary shall continue that action  
7           until the Secretary determines that the failure by  
8           the Department to comply with the provision has  
9           been remedied by the Department and the Depart-  
10          ment is in compliance with that provision.

11          “(b) NONCOMPLIANCE BECAUSE OF A TECHNICAL  
12          INCAPACITY.—The Secretary may provide technical assist-  
13          ance for the Department, either directly or indirectly, that  
14          is designed to increase the capability and capacity of the  
15          Director of the Department to administer assistance pro-  
16          vided under this title in compliance with the requirements  
17          under this title if the Secretary makes a finding under  
18          subsection (a), but determines that the failure of the De-  
19          partment to comply substantially with the provisions of  
20          this title—

21               “(1) is not a pattern or practice of activities  
22               constituting willful noncompliance; and

23               “(2) is a result of the limited capability or ca-  
24               pacity of the Department of Hawaiian Home Lands.

25          “(c) REFERRAL FOR CIVIL ACTION.—

1           “(1) AUTHORITY.—In lieu of, or in addition to,  
2           any action that the Secretary may take under sub-  
3           section (a), if the Secretary has reason to believe  
4           that the Department of Hawaiian Home Lands has  
5           failed to comply substantially with any provision of  
6           this title, the Secretary may refer the matter to the  
7           Attorney General of the United States with a rec-  
8           ommendation that an appropriate civil action be in-  
9           stituted.

10           “(2) CIVIL ACTION.—Upon receiving a referral  
11           under paragraph (1), the Attorney General may  
12           bring a civil action in any United States district  
13           court of appropriate jurisdiction for such relief as  
14           may be appropriate, including an action—

15                   “(A) to recover the amount of the assist-  
16                   ance furnished under this title that was not ex-  
17                   pended in accordance with this title; or

18                   “(B) for mandatory or injunctive relief.

19           “(d) REVIEW.—

20           “(1) IN GENERAL.—If the Director receives no-  
21           tice under subsection (a) of the termination, reduc-  
22           tion, or limitation of payments under this Act, the  
23           Director—

24                   “(A) may, not later than 60 days after re-  
25                   ceiving such notice, file with the United States

1 Court of Appeals for the Ninth Circuit, or in  
2 the United States Court of Appeals for the Dis-  
3 trict of Columbia, a petition for review of the  
4 action of the Secretary; and

5 “(B) upon the filing of any petition under  
6 subparagraph (A), shall forthwith transmit cop-  
7 ies of the petition to the Secretary and the At-  
8 torney General of the United States, who shall  
9 represent the Secretary in the litigation.

10 “(2) PROCEDURE.—

11 “(A) IN GENERAL.—The Secretary shall  
12 file in the court a record of the proceeding on  
13 which the Secretary based the action, as pro-  
14 vided in section 2112 of title 28, United States  
15 Code.

16 “(B) OBJECTIONS.—No objection to the  
17 action of the Secretary shall be considered by  
18 the court unless the Department has registered  
19 the objection before the Secretary.

20 “(3) DISPOSITION.—

21 “(A) COURT PROCEEDINGS.—

22 “(i) JURISDICTION OF COURT.—The  
23 court shall have jurisdiction to affirm or  
24 modify the action of the Secretary or to set  
25 the action aside in whole or in part.

1           “(ii) FINDINGS OF FACT.—If sup-  
2           ported by substantial evidence on the  
3           record considered as a whole, the findings  
4           of fact by the Secretary shall be conclusive.

5           “(iii) ADDITION.—The court may  
6           order evidence, in addition to the evidence  
7           submitted for review under this subsection,  
8           to be taken by the Secretary, and to be  
9           made part of the record.

10          “(B) SECRETARY.—

11               “(i) IN GENERAL.—The Secretary, by  
12               reason of the additional evidence referred  
13               to in subparagraph (A) and filed with the  
14               court—

15                       “(I) may—

16                               “(aa) modify the findings of  
17                               fact of the Secretary; or

18                               “(bb) make new findings;  
19                               and

20                       “(II) shall file—

21                               “(aa) such modified or new  
22                               findings; and

23                               “(bb) the recommendation  
24                               of the Secretary, if any, for the  
25                               modification or setting aside of

1 the original action of the Sec-  
2 retary.

3 “(ii) FINDINGS.—The findings re-  
4 ferred to in clause (i)(II)(bb) shall, with  
5 respect to a question of fact, be considered  
6 to be conclusive if those findings are—

7 “(I) supported by substantial evi-  
8 dence on the record; and

9 “(II) considered as a whole.

10 “(4) FINALITY.—

11 “(A) IN GENERAL.—Except as provided in  
12 subparagraph (B), upon the filing of the record  
13 under this subsection with the court—

14 “(i) the jurisdiction of the court shall  
15 be exclusive; and

16 “(ii) the judgment of the court shall  
17 be final.

18 “(B) REVIEW BY SUPREME COURT.—A  
19 judgment under subparagraph (A) shall be sub-  
20 ject to review by the Supreme Court of the  
21 United States upon writ of certiorari or certifi-  
22 cation, as provided in section 1254 of title 28,  
23 United States Code.

24 **“SEC. 819. MONITORING OF COMPLIANCE.**

25 “(a) ENFORCEABLE AGREEMENTS.—

1           “(1) IN GENERAL.—The Director, through  
2           binding contractual agreements with owners or other  
3           authorized entities, shall ensure long-term compli-  
4           ance with the provisions of this title.

5           “(2) MEASURES.—The measures referred to in  
6           paragraph (1) shall provide for—

7                   “(A) to the extent allowable by Federal  
8                   and State law, the enforcement of the provi-  
9                   sions of this title by the Department and the  
10                  Secretary; and

11                   “(B) remedies for breach of the provisions  
12                  referred to in paragraph (1).

13           “(b) PERIODIC MONITORING.—

14                   “(1) IN GENERAL.—Not less frequently than  
15                   annually, the Director shall review the activities con-  
16                   ducted and housing assisted under this title to as-  
17                   sess compliance with the requirements of this title.

18                   “(2) REVIEW.—Each review under paragraph  
19                   (1) shall include onsite inspection of housing to de-  
20                   termine compliance with applicable requirements.

21                   “(3) RESULTS.—The results of each review  
22                   under paragraph (1) shall be—

23                           “(A) included in a performance report of  
24                           the Director submitted to the Secretary under  
25                           section 820; and

1 “(B) made available to the public.

2 “(c) PERFORMANCE MEASURES.—The Secretary  
3 shall establish such performance measures as may be nec-  
4 essary to assess compliance with the requirements of this  
5 title.

6 **“SEC. 820. PERFORMANCE REPORTS.**

7 “(a) REQUIREMENT.—For each fiscal year, the Di-  
8 rector shall—

9 “(1) review the progress the Department has  
10 made during that fiscal year in carrying out the  
11 housing plan submitted by the Department under  
12 section 803; and

13 “(2) submit a report to the Secretary (in a  
14 form acceptable to the Secretary) describing the con-  
15 clusions of the review.

16 “(b) CONTENT.—Each report submitted under this  
17 section for a fiscal year shall—

18 “(1) describe the use of grant amounts provided  
19 to the Department of Hawaiian Home Lands for  
20 that fiscal year;

21 “(2) assess the relationship of the use referred  
22 to in paragraph (1) to the goals identified in the  
23 housing plan;

24 “(3) indicate the programmatic accomplish-  
25 ments of the Department; and



1           “(4) describe the manner in which the Depart-  
2           ment would change its housing plan submitted under  
3           section 803 as a result of its experiences.

4           “(c) SUBMISSIONS.—The Secretary shall—

5                 “(1) establish a date for submission of each re-  
6           port under this section;

7                 “(2) review each such report; and

8                 “(3) with respect to each such report, make rec-  
9           ommendations as the Secretary considers appro-  
10          prium to carry out the purposes of this title.

11          “(d) PUBLIC AVAILABILITY.—

12                 “(1) COMMENTS BY BENEFICIARIES.—In pre-  
13          paring a report under this section, the Director shall  
14          make the report publicly available to the bene-  
15          ficiaries of the Hawaiian Homes Commission Act,  
16          1920 (42 Stat. 108 et seq.) and give a sufficient  
17          amount of time to permit those beneficiaries to com-  
18          ment on that report before it is submitted to the  
19          Secretary (in such manner and at such time as the  
20          Director may determine).

21                 “(2) SUMMARY OF COMMENTS.—The report  
22          shall include a summary of any comments received  
23          by the Director from beneficiaries under paragraph  
24          (1) regarding the program to carry out the housing  
25          plan.

1   **“SEC. 821. REVIEW AND AUDIT BY SECRETARY.**

2       “(a) ANNUAL REVIEW.—

3           “(1) IN GENERAL.—The Secretary shall, not  
4       less frequently than on an annual basis, make such  
5       reviews and audits as may be necessary or appro-  
6       priate to determine whether—

7           “(A) the Director has—

8               “(i) carried out eligible activities  
9               under this title in a timely manner;

10               “(ii) carried out and made certifi-  
11               cations in accordance with the require-  
12               ments and the primary objectives of this  
13               title and with other applicable laws; and

14               “(iii) a continuing capacity to carry  
15               out the eligible activities in a timely man-  
16               ner;

17           “(B) the Director has complied with the  
18       housing plan submitted by the Director under  
19       section 803; and

20           “(C) the performance reports of the De-  
21       partment under section 821 are accurate.

22       “(2) ONSITE VISITS.—Each review conducted  
23       under this section shall, to the extent practicable, in-  
24       clude onsite visits by employees of the Department  
25       of Housing and Urban Development.

1       “(b) REPORT BY SECRETARY.—The Secretary shall  
2 give the Department of Hawaiian Home Lands not less  
3 than 30 days to review and comment on a report under  
4 this subsection. After taking into consideration the com-  
5 ments of the Department, the Secretary may revise the  
6 report and shall make the comments of the Department  
7 and the report with any revisions, readily available to the  
8 public not later than 30 days after receipt of the com-  
9 ments of the Department.

10       “(c) EFFECT OF REVIEWS.—The Secretary may  
11 make appropriate adjustments in the amount of annual  
12 grants under this title in accordance with the findings of  
13 the Secretary pursuant to reviews and audits under this  
14 section. The Secretary may adjust, reduce, or withdraw  
15 grant amounts, or take other action as appropriate in ac-  
16 cordance with the reviews and audits of the Secretary  
17 under this section, except that grant amounts already ex-  
18 pended on affordable housing activities may not be recap-  
19 tured or deducted from future assistance provided to the  
20 Department of Hawaiian Home Lands.

21       **“SEC. 822. GENERAL ACCOUNTING OFFICE AUDITS.**

22       “To the extent that the financial transactions of the  
23 Department of Hawaiian Home Lands involving grant  
24 amounts under this title relate to amounts provided under  
25 this title, those transactions may be audited by the Comp-

1 troller General of the United States under such regula-  
2 tions as may be prescribed by the Comptroller General.  
3 The Comptroller General of the United States shall have  
4 access to all books, accounts, records, reports, files, and  
5 other papers, things, or property belonging to or in use  
6 by the Department of Hawaiian Home Lands pertaining  
7 to such financial transactions and necessary to facilitate  
8 the audit.

9 **“SEC. 823. REPORTS TO CONGRESS.**

10 “(a) IN GENERAL.—Not later than 90 days after the  
11 conclusion of each fiscal year in which assistance under  
12 this title is made available, the Secretary shall submit to  
13 Congress a report that contains—

14 “(1) a description of the progress made in ac-  
15 complishing the objectives of this title;

16 “(2) a summary of the use of funds available  
17 under this title during the preceding fiscal year; and

18 “(3) a description of the aggregate outstanding  
19 loan guarantees under section 184A of the Housing  
20 and Community Development Act of 1992.

21 “(b) RELATED REPORTS.—The Secretary may re-  
22 quire the Director to submit to the Secretary such reports  
23 and other information as may be necessary in order for  
24 the Secretary to prepare the report required under sub-  
25 section (a).

1   **“SEC. 824. AUTHORIZATION OF APPROPRIATIONS.**

2           “There are authorized to be appropriated to the De-  
3   partment of Housing and Urban Development for grants  
4   under this title such sums as may be necessary for each  
5   of fiscal years 2001, 2002, 2003, 2004, and 2005.”.

6   **SEC. 724. LOAN GUARANTEES.**

7           Subtitle E of title I of the Housing and Community  
8   Development Act of 1992 is amended by inserting after  
9   section 184 (12 U.S.C. 1715z–13a) the following:

10   **“SEC. 184A. LOAN GUARANTEES FOR NATIVE HAWAIIAN**  
11           **HOUSING.**

12           “(a) DEFINITIONS.—In this section:

13                   “(1) DEPARTMENT OF HAWAIIAN HOME  
14           LANDS.—The term ‘Department of Hawaiian Home  
15           Lands’ means the agency or department of the gov-  
16           ernment of the State of Hawaii that is responsible  
17           for the administration of the Hawaiian Homes Com-  
18           mission Act, 1920 (42 Stat. 108 et seq.).

19                   “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
20           tity’ means a Native Hawaiian family, the Depart-  
21           ment of Hawaiian Home Lands, the Office of Ha-  
22           waiian Affairs, and private nonprofit or private for-  
23           profit organizations experienced in the planning and  
24           development of affordable housing for Native Hawai-  
25           ians.

1           “(3) FAMILY.—The term ‘family’ means 1 or  
2           more persons maintaining a household, as the Sec-  
3           retary shall by regulation provide.

4           “(4) GUARANTEE FUND.—The term ‘Guarantee  
5           Fund’ means the Native Hawaiian Housing Loan  
6           Guarantee Fund established under subsection (i).

7           “(5) HAWAIIAN HOME LANDS.—The term ‘Ha-  
8           waiian Home Lands’ means lands that—

9                   “(A) have the status of Hawaiian Home  
10           Lands under section 204 of the Hawaiian  
11           Homes Commission Act (42 Stat. 110); or

12                   “(B) are acquired pursuant to that Act.

13           “(6) NATIVE HAWAIIAN.—The term ‘Native  
14           Hawaiian’ means any individual who is—

15                   “(A) a citizen of the United States; and

16                   “(B) a descendant of the aboriginal people,  
17           who, prior to 1778, occupied and exercised sov-  
18           ereignty in the area that currently constitutes  
19           the State of Hawaii, as evidenced by—

20                   “(i) genealogical records;

21                   “(ii) verification by kupuna (elders) or  
22           kama’aina (long-term community resi-  
23           dents); or

24                   “(iii) birth records of the State of Ha-  
25           waii.

1           “(7) OFFICE OF HAWAIIAN AFFAIRS.—The  
2           term ‘Office of Hawaiian Affairs’ means the entity  
3           of that name established under the constitution of  
4           the State of Hawaii.

5           “(b) AUTHORITY.—To provide access to sources of  
6           private financing to Native Hawaiian families who other-  
7           wise could not acquire housing financing because of the  
8           unique legal status of the Hawaiian Home Lands or as  
9           a result of a lack of access to private financial markets,  
10          the Secretary may guarantee an amount not to exceed 100  
11          percent of the unpaid principal and interest that is due  
12          on an eligible loan under subsection (b).

13          “(c) ELIGIBLE LOANS.—Under this section, a loan  
14          is an eligible loan if that loan meets the following require-  
15          ments:

16               “(1) ELIGIBLE BORROWERS.—The loan is made  
17               only to a borrower who is—

18                       “(A) a Native Hawaiian family;

19                       “(B) the Department of Hawaiian Home  
20                       Lands;

21                       “(C) the Office of Hawaiian Affairs; or

22                       “(D) a private nonprofit organization expe-  
23                       rienced in the planning and development of af-  
24                       fordable housing for Native Hawaiians.

25               “(2) ELIGIBLE HOUSING.—

1           “(A) IN GENERAL.—The loan will be used  
2           to construct, acquire, or rehabilitate not more  
3           than 4-family dwellings that are standard hous-  
4           ing and are located on Hawaiian Home Lands  
5           for which a housing plan described in subpara-  
6           graph (B) applies.

7           “(B) HOUSING PLAN.—A housing plan de-  
8           scribed in this subparagraph is a housing plan  
9           that—

10           “(i) has been submitted and approved  
11           by the Secretary under section 803 of the  
12           Native American Housing Assistance and  
13           Self-Determination Act of 1996; and

14           “(ii) provides for the use of loan guar-  
15           antees under this section to provide afford-  
16           able homeownership housing on Hawaiian  
17           Home Lands.

18           “(3) SECURITY.—The loan may be secured by  
19           any collateral authorized under applicable Federal or  
20           State law.

21           “(4) LENDERS.—

22           “(A) IN GENERAL.—The loan shall be  
23           made only by a lender approved by, and meet-  
24           ing qualifications established by, the Secretary,  
25           including any lender described in subparagraph



1 (B), except that a loan otherwise insured or  
2 guaranteed by an agency of the Federal Gov-  
3 ernment or made by the Department of Hawai-  
4 ian Home Lands from amounts borrowed from  
5 the United States shall not be eligible for a  
6 guarantee under this section.

7 “(B) APPROVAL.—The following lenders  
8 shall be considered to be lenders that have been  
9 approved by the Secretary:

10 “(i) Any mortgagee approved by the  
11 Secretary for participation in the single  
12 family mortgage insurance program under  
13 title II of the National Housing Act (12  
14 U.S.C.A. 1707 et seq.).

15 “(ii) Any lender that makes housing  
16 loans under chapter 37 of title 38, United  
17 States Code, that are automatically guar-  
18 anteed under section 3702(d) of title 38,  
19 United States Code.

20 “(iii) Any lender approved by the Sec-  
21 retary of Agriculture to make guaranteed  
22 loans for single family housing under the  
23 Housing Act of 1949 (42 U.S.C.A. 1441 et  
24 seq.).

1                   “(iv) Any other lender that is super-  
2                   vised, approved, regulated, or insured by  
3                   any agency of the Federal Government.

4                   “(5) TERMS.—The loan shall—

5                   “(A) be made for a term not exceeding 30  
6                   years;

7                   “(B) bear interest (exclusive of the guar-  
8                   antee fee under subsection (d) and service  
9                   charges, if any) at a rate agreed upon by the  
10                  borrower and the lender and determined by the  
11                  Secretary to be reasonable, but not to exceed  
12                  the rate generally charged in the area (as deter-  
13                  mined by the Secretary) for home mortgage  
14                  loans not guaranteed or insured by any agency  
15                  or instrumentality of the Federal Government;

16                  “(C) involve a principal obligation not  
17                  exceeding—

18                  “(i) 97.75 percent of the appraised  
19                  value of the property as of the date the  
20                  loan is accepted for guarantee (or 98.75  
21                  percent if the value of the property is  
22                  \$50,000 or less); or

23                  “(ii) the amount approved by the Sec-  
24                  retary under this section; and

1                   “(D) involve a payment on account of the  
2                   property—

3                   “(i) in cash or its equivalent; or

4                   “(ii) through the value of any im-  
5                   provements to the property made through  
6                   the skilled or unskilled labor of the bor-  
7                   rower, as the Secretary shall provide.

8                   “(d) CERTIFICATE OF GUARANTEE.—

9                   “(1) APPROVAL PROCESS.—

10                   “(A) IN GENERAL.—Before the Secretary  
11                   approves any loan for guarantee under this sec-  
12                   tion, the lender shall submit the application for  
13                   the loan to the Secretary for examination.

14                   “(B) APPROVAL.—If the Secretary ap-  
15                   proves the application submitted under sub-  
16                   paragraph (A), the Secretary shall issue a cer-  
17                   tificate under this subsection as evidence of the  
18                   loan guarantee approved.

19                   “(2) STANDARD FOR APPROVAL.—The Sec-  
20                   retary may approve a loan for guarantee under this  
21                   section and issue a certificate under this subsection  
22                   only if the Secretary determines that there is a rea-  
23                   sonable prospect of repayment of the loan.

24                   “(3) EFFECT.—

1           “(A) IN GENERAL.—A certificate of guar-  
2           antee issued under this subsection by the Sec-  
3           retary shall be conclusive evidence of the eligi-  
4           bility of the loan for guarantee under this sec-  
5           tion and the amount of that guarantee.

6           “(B) EVIDENCE.—The evidence referred to  
7           in subparagraph (A) shall be incontestable in  
8           the hands of the bearer.

9           “(C) FULL FAITH AND CREDIT.—The full  
10          faith and credit of the United States is pledged  
11          to the payment of all amounts agreed to be paid  
12          by the Secretary as security for the obligations  
13          made by the Secretary under this section.

14          “(4) FRAUD AND MISREPRESENTATION.—This  
15          subsection may not be construed—

16               “(A) to preclude the Secretary from estab-  
17               lishing defenses against the original lender  
18               based on fraud or material misrepresentation;  
19               or

20               “(B) to bar the Secretary from estab-  
21               lishing by regulations that are on the date of  
22               issuance or disbursement, whichever is earlier,  
23               partial defenses to the amount payable on the  
24               guarantee.

25          “(e) GUARANTEE FEE.—

1           “(1) IN GENERAL.—The Secretary shall fix and  
2           collect a guarantee fee for the guarantee of a loan  
3           under this section, which may not exceed the amount  
4           equal to 1 percent of the principal obligation of the  
5           loan.

6           “(2) PAYMENT.—The fee under this subsection  
7           shall—

8                   “(A) be paid by the lender at time of  
9                   issuance of the guarantee; and

10                   “(B) be adequate, in the determination of  
11                   the Secretary, to cover expenses and probable  
12                   losses.

13           “(3) DEPOSIT.—The Secretary shall deposit  
14           any fees collected under this subsection in the Na-  
15           tive Hawaiian Housing Loan Guarantee Fund estab-  
16           lished under subsection (j).

17           “(f) LIABILITY UNDER GUARANTEE.—The liability  
18           under a guarantee provided under this section shall de-  
19           crease or increase on a pro rata basis according to any  
20           decrease or increase in the amount of the unpaid obliga-  
21           tion under the provisions of the loan agreement involved.

22           “(g) TRANSFER AND ASSUMPTION.—Notwith-  
23           standing any other provision of law, any loan guaranteed  
24           under this section, including the security given for the  
25           loan, may be sold or assigned by the lender to any finan-

1 cial institution subject to examination and supervision by  
2 an agency of the Federal Government or of any State or  
3 the District of Columbia.

4 “(h) DISQUALIFICATION OF LENDERS AND CIVIL  
5 MONEY PENALTIES.—

6 “(1) IN GENERAL.—

7 “(A) GROUNDS FOR ACTION.—The Sec-  
8 retary may take action under subparagraph (B)  
9 if the Secretary determines that any lender or  
10 holder of a guarantee certificate under sub-  
11 section (c)—

12 “(i) has failed—

13 “(I) to maintain adequate ac-  
14 counting records;

15 “(II) to service adequately loans  
16 guaranteed under this section; or

17 “(III) to exercise proper credit or  
18 underwriting judgment; or

19 “(ii) has engaged in practices other-  
20 wise detrimental to the interest of a bor-  
21 rower or the United States.

22 “(B) ACTIONS.—Upon a determination by  
23 the Secretary that a holder of a guarantee cer-  
24 tificate under subsection (c) has failed to carry  
25 out an activity described in subparagraph (A)(i)

1 or has engaged in practices described in sub-  
2 paragraph (A)(ii), the Secretary may—

3 “(i) refuse, either temporarily or per-  
4 manently, to guarantee any further loans  
5 made by such lender or holder;

6 “(ii) bar such lender or holder from  
7 acquiring additional loans guaranteed  
8 under this section; and

9 “(iii) require that such lender or hold-  
10 er assume not less than 10 percent of any  
11 loss on further loans made or held by the  
12 lender or holder that are guaranteed under  
13 this section.

14 “(2) CIVIL MONEY PENALTIES FOR INTEN-  
15 TIONAL VIOLATIONS.—

16 “(A) IN GENERAL.—The Secretary may  
17 impose a civil monetary penalty on a lender or  
18 holder of a guarantee certificate under sub-  
19 section (d) if the Secretary determines that the  
20 holder or lender has intentionally failed—

21 “(i) to maintain adequate accounting  
22 records;

23 “(ii) to adequately service loans guar-  
24 anteed under this section; or

1 “(iii) to exercise proper credit or un-  
2 derwriting judgment.

3 “(B) PENALTIES.—A civil monetary pen-  
4 alty imposed under this paragraph shall be im-  
5 posed in the manner and be in an amount pro-  
6 vided under section 536 of the National Hous-  
7 ing Act (12 U.S.C.A. 1735f–1) with respect to  
8 mortgagees and lenders under that Act.

9 “(3) PAYMENT ON LOANS MADE IN GOOD  
10 FAITH.—Notwithstanding paragraphs (1) and (2), if  
11 a loan was made in good faith, the Secretary may  
12 not refuse to pay a lender or holder of a valid guar-  
13 antee on that loan, without regard to whether the  
14 lender or holder is barred under this subsection.

15 “(i) PAYMENT UNDER GUARANTEE.—

16 “(1) LENDER OPTIONS.—

17 “(A) IN GENERAL.—

18 “(i) NOTIFICATION.—If a borrower on  
19 a loan guaranteed under this section de-  
20 faults on the loan, the holder of the guar-  
21 antee certificate shall provide written no-  
22 tice of the default to the Secretary.

23 “(ii) PAYMENT.—Upon providing the  
24 notice required under clause (i), the holder  
25 of the guarantee certificate shall be enti-



1           tled to payment under the guarantee (sub-  
2           ject to the provisions of this section) and  
3           may proceed to obtain payment in 1 of the  
4           following manners:

5                   “(I) FORECLOSURE.—

6                           “(aa) IN GENERAL.—The  
7                           holder of the certificate may ini-  
8                           tiate foreclosure proceedings  
9                           (after providing written notice of  
10                          that action to the Secretary).

11                          “(bb) PAYMENT.—Upon a  
12                          final order by the court author-  
13                          izing foreclosure and submission  
14                          to the Secretary of a claim for  
15                          payment under the guarantee,  
16                          the Secretary shall pay to the  
17                          holder of the certificate the pro  
18                          rata portion of the amount guar-  
19                          anteed (as determined pursuant  
20                          to subsection (f)) plus reasonable  
21                          fees and expenses as approved by  
22                          the Secretary.

23                          “(cc) SUBROGATION.—The  
24                          rights of the Secretary shall be  
25                          subrogated to the rights of the

1 holder of the guarantee. The  
2 holder shall assign the obligation  
3 and security to the Secretary.

4 “(II) NO FORECLOSURE.—

5 “(aa) IN GENERAL.—With-  
6 out seeking foreclosure (or in any  
7 case in which a foreclosure pro-  
8 ceeding initiated under clause (i)  
9 continues for a period in excess  
10 of 1 year), the holder of the  
11 guarantee may submit to the  
12 Secretary a request to assign the  
13 obligation and security interest to  
14 the Secretary in return for pay-  
15 ment of the claim under the  
16 guarantee. The Secretary may  
17 accept assignment of the loan if  
18 the Secretary determines that the  
19 assignment is in the best interest  
20 of the United States.

21 “(bb) PAYMENT.—Upon as-  
22 signment, the Secretary shall pay  
23 to the holder of the guarantee  
24 the pro rata portion of the

1 amount guaranteed (as deter-  
2 mined under subsection (f)).

3 “(cc) SUBROGATION.—The  
4 rights of the Secretary shall be  
5 subrogated to the rights of the  
6 holder of the guarantee. The  
7 holder shall assign the obligation  
8 and security to the Secretary.

9 “(B) REQUIREMENTS.—Before any pay-  
10 ment under a guarantee is made under sub-  
11 paragraph (A), the holder of the guarantee  
12 shall exhaust all reasonable possibilities of col-  
13 lection. Upon payment, in whole or in part, to  
14 the holder, the note or judgment evidencing the  
15 debt shall be assigned to the United States and  
16 the holder shall have no further claim against  
17 the borrower or the United States. The Sec-  
18 retary shall then take such action to collect as  
19 the Secretary determines to be appropriate.

20 “(2) LIMITATIONS ON LIQUIDATION.—

21 “(A) IN GENERAL.—If a borrower defaults  
22 on a loan guaranteed under this section that in-  
23 volves a security interest in restricted Hawaiian  
24 Home Land property, the mortgagee or the  
25 Secretary shall only pursue liquidation after of-

1           fering to transfer the account to another eligi-  
2           ble Hawaiian family or the Department of Ha-  
3           waiian Home Lands.

4           “(B) LIMITATION.—If, after action is  
5           taken under subparagraph (A), the mortgagee  
6           or the Secretary subsequently proceeds to liq-  
7           uidate the account, the mortgagee or the Sec-  
8           retary shall not sell, transfer, or otherwise dis-  
9           pose of or alienate the property described in  
10          subparagraph (A) except to another eligible Ha-  
11          waiian family or to the Department of Hawai-  
12          ian Home Lands.

13          “(j) HAWAIIAN HOUSING LOAN GUARANTEE  
14          FUND.—

15               “(1) ESTABLISHMENT.—There is established in  
16          the Treasury of the United States the Hawaiian  
17          Housing Loan Guarantee Fund for the purpose of  
18          providing loan guarantees under this section.

19               “(2) CREDITS.—The Guarantee Fund shall be  
20          credited with—

21                   “(A) any amount, claims, notes, mort-  
22                   gages, contracts, and property acquired by the  
23                   Secretary under this section, and any collections  
24                   and proceeds therefrom;

1           “(B) any amounts appropriated pursuant  
2           to paragraph (7);

3           “(C) any guarantee fees collected under  
4           subsection (d); and

5           “(D) any interest or earnings on amounts  
6           invested under paragraph (4).

7           “(3) USE.—Amounts in the Guarantee Fund  
8           shall be available, to the extent provided in appro-  
9           priations Acts, for—

10           “(A) fulfilling any obligations of the Sec-  
11           retary with respect to loans guaranteed under  
12           this section, including the costs (as that term is  
13           defined in section 502 of the Federal Credit Re-  
14           form Act of 1990 (2 U.S.C. 661a)) of such  
15           loans;

16           “(B) paying taxes, insurance, prior liens,  
17           expenses necessary to make fiscal adjustment in  
18           connection with the application and transmittal  
19           of collections, and other expenses and advances  
20           to protect the Secretary for loans which are  
21           guaranteed under this section or held by the  
22           Secretary;

23           “(C) acquiring such security property at  
24           foreclosure sales or otherwise;

1           “(D) paying administrative expenses in  
2 connection with this section; and

3           “(E) reasonable and necessary costs of re-  
4 habilitation and repair to properties that the  
5 Secretary holds or owns pursuant to this sec-  
6 tion.

7           “(4) INVESTMENT.—Any amounts in the Guar-  
8 antee Fund determined by the Secretary to be in ex-  
9 cess of amounts currently required at the time of the  
10 determination to carry out this section may be in-  
11 vested in obligations of the United States.

12           “(5) LIMITATION ON COMMITMENTS TO GUAR-  
13 ANTEE LOANS AND MORTGAGES.—

14           “(A) REQUIREMENT OF APPROPRIA-  
15 TIONS.—The authority of the Secretary to enter  
16 into commitments to guarantee loans under this  
17 section shall be effective for any fiscal year to  
18 the extent, or in such amounts as are, or have  
19 been, provided in appropriations Acts, without  
20 regard to the fiscal year for which such  
21 amounts were appropriated.

22           “(B) LIMITATIONS ON COSTS OF GUARAN-  
23 TEES.—The authority of the Secretary to enter  
24 into commitments to guarantee loans under this  
25 section shall be effective for any fiscal year only

1 to the extent that amounts in the Guarantee  
2 Fund are or have been made available in appro-  
3 priations Acts to cover the costs (as that term  
4 is defined in section 502 of the Federal Credit  
5 Reform Act of 1990 (2 U.S.C. 661a)) of such  
6 loan guarantees for such fiscal year. Any  
7 amounts appropriated pursuant to this subpara-  
8 graph shall remain available until expended.

9 “(C) LIMITATION ON OUTSTANDING AG-  
10 GREGATE PRINCIPAL AMOUNT.—Subject to the  
11 limitations in subparagraphs (A) and (B), the  
12 Secretary may enter into commitments to guar-  
13 antee loans under this section for each of fiscal  
14 years 2001, 2002, 2003, 2004, and 2005 with  
15 an aggregate outstanding principal amount not  
16 exceeding \$100,000,000 for each such fiscal  
17 year.

18 “(6) LIABILITIES.—All liabilities and obliga-  
19 tions of the assets credited to the Guarantee Fund  
20 under paragraph (2)(A) shall be liabilities and obli-  
21 gations of the Guarantee Fund.

22 “(7) AUTHORIZATION OF APPROPRIATIONS.—  
23 There are authorized to be appropriated to the  
24 Guarantee Fund to carry out this section such sums

1 as may be necessary for each of fiscal years 2001,  
2 2002, 2003, 2004, and 2005.

3 “(k) REQUIREMENTS FOR STANDARD HOUSING.—

4 “(1) IN GENERAL.—The Secretary shall, by  
5 regulation, establish housing safety and quality  
6 standards to be applied for use under this section.

7 “(2) STANDARDS.—The standards referred to  
8 in paragraph (1) shall—

9 “(A) provide sufficient flexibility to permit  
10 the use of various designs and materials in  
11 housing acquired with loans guaranteed under  
12 this section; and

13 “(B) require each dwelling unit in any  
14 housing acquired in the manner described in  
15 subparagraph (A) to—

16 “(i) be decent, safe, sanitary, and  
17 modest in size and design;

18 “(ii) conform with applicable general  
19 construction standards for the region in  
20 which the housing is located;

21 “(iii) contain a plumbing system  
22 that—

23 “(I) uses a properly installed sys-  
24 tem of piping;



1                   “(II) includes a kitchen sink and  
2                   a partitioned bathroom with lavatory,  
3                   toilet, and bath or shower; and

4                   “(III) uses water supply, plumbing,  
5                   and sewage disposal systems that  
6                   conform to any minimum standards  
7                   established by the applicable county or  
8                   State;

9                   “(iv) contain an electrical system  
10                  using wiring and equipment properly in-  
11                  stalled to safely supply electrical energy for  
12                  adequate lighting and for operation of ap-  
13                  pliances that conforms to any appropriate  
14                  county, State, or national code;

15                  “(v) be not less than the size provided  
16                  under the applicable locally adopted stand-  
17                  ards for size of dwelling units, except that  
18                  the Secretary, upon request of the Depart-  
19                  ment of Hawaiian Home Lands may waive  
20                  the size requirements under this para-  
21                  graph; and

22                  “(vi) conform with the energy per-  
23                  formance requirements for new construc-  
24                  tion established by the Secretary under  
25                  section 526(a) of the National Housing

1 Act (12 U.S.C.A. 1735f-4), unless the Sec-  
2 retary determines that the requirements  
3 are not applicable.

4 “(1) APPLICABILITY OF CIVIL RIGHTS STATUTES.—  
5 To the extent that the requirements of title VI of the Civil  
6 Rights Act of 1964 (42 U.S.C. 2000d et seq.) or of the  
7 Fair Housing Act (42 U.S.C.A. 3601 et seq.) apply to a  
8 guarantee provided under this subsection, nothing in the  
9 requirements concerning discrimination on the basis of  
10 race shall be construed to prevent the provision of the  
11 guarantee to an eligible entity on the basis that the entity  
12 serves Native Hawaiian families or is a Native Hawaiian  
13 family.”.

Page 166, in line 10, strike the dash and all that  
follows through “GENERAL.” in line 11.

Page 166, strike lines 17 through 25.

Strike line 25 on page 173, and all that follows  
through line 2 on page 174, and insert the following:

14 “(1) to protect the quality, durability, safety,  
15 and affordability of manufactured homes;”

Page 174, strike lines 11 through 13 and insert the  
following:

1           “(5) to protect residents of manufactured  
2       homes with respect to personal injuries and the  
3       amount of insurance costs and property damages in  
4       manufactured housing, consistent with the other  
5       purposes of this section;”.

Page 176, line 18, before the semicolon insert “, including the inspection of homes in the plant”.

Page 176, line 21, strike both commas.

Strike line 25 on page 176 and all that follows through “means” in line 1 on page 177, and insert the following:

6           “(21) ‘monitoring’ means

Page 177, lines 5 through 7, strike “recommended by the consensus committee and promulgated in accordance with” and insert “promulgated under this title, giving due consideration to the recommendations of the consensus committee as provided in”.

Page 177, line 10, strike “; and” and insert “.’”.

Page 177, strike lines 11 through 13.

Page 179, line 19, strike “appoint” and insert “recommend”.

Page 182, lines 12 and 13, strike “, subject to approval by the Secretary,” and insert “by the Secretary, after consideration of the recommendations made”.

Page 182, line 14, insert a comma after “organization”.

Page 182, strike lines 22 through 25 and insert the following:

1                   “(C) DISAPPROVAL.—The Secretary shall  
2                   state, in writing, the reasons for failing to ap-  
3                   point any individual recommended under para-  
4                   graph (2)(A)(ii)(I).

Page 184, lines 1 and 2, strike “administering organization in its appointments” and insert “Secretary”.

Page 188, line 20, before the period insert “in accordance with section 553 of title 5, United States Code”.

Page 188, line 23, after “standard” insert “in accordance with such section 553”.

Page 189, line 22, strike “7” and insert “30”.

Page 193, line 5, after “regulations” insert “and revision to existing regulations”.

Page 195, strike lines 16 through 22 and insert the following:

1           “(5) AUTHORITY TO ACT AND EMERGENCY.—If  
2       the Secretary determines, in writing, that such ac-  
3       tion is necessary to address an issue on which the  
4       Secretary determines that the consensus committee  
5       has not made a timely recommendation following a  
6       request by the Secretary, or in order to respond to  
7       an emergency which jeopardizes the public health or  
8       safety, the Secretary

Page 196, line 3, strike “emergency”.

Page 196, line 5, after “issues” insert “the order after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code,”.

Page 196, line 12, strike “of” and insert “or”.

Page 196, line 19, strike “1104(a)(3)” and insert “604(a)(3)”.

Page 199, line 18, after “shall” insert “to the maximum extent possible, taking into account the factors described in section 604(e),”.

Page 200, after line 9, insert the following:

1           “(4) ISSUANCE.—The model manufactured  
2           home installation standards shall be issued after no-  
3           tice and an opportunity for public comment in ac-  
4           cordance with section 553 of title 5, United States  
5           Code.

Strike “, except that” in line 20 on page 201, and  
all that follows through line 2 on page 202, and insert  
a period.

Page 206, after line 3, insert the following new sec-  
tion:

6   **SEC. 1108. PROHIBITED ACTS.**

7           Section 610(a) (42 U.S.C. 5409(a)) is amended—

8           (1) in paragraph (5), by striking “or” at the  
9           end;

10          (2) in paragraph (6), by striking the period at  
11          the end and inserting “; or”; and

12          (3) by adding at the end the following new  
13          paragraph:

14          “(7) after the expiration of the period specified  
15          in section 605(c)(2)(B), fail to comply with the re-  
16          quirements for the installation program required by  
17          section 605 in any State that has not adopted and  
18          implemented a State installation program.”.

Page 207, line 10, strike “and”.

Page 207, after line 13, insert the following:

1                   “(F) implementing sections 605 and 623;  
2                   and

Page 207, strike lines 19 through 23 and insert the following:

3           “(b) CONTRACTORS.—When using fees under this  
4 section, the Secretary shall ensure that no fewer than 3  
5 separate contracts and 3 separate and independent con-  
6 tractors are retained to carry out monitoring and inspec-  
7 tion work and any other work that may be delegated to  
8 a contractor under this title; except that the required min-  
9 imum number of separate contracts and separate and  
10 independent contractors shall increase to 4 simultaneous  
11 with the latter of—

12           “(1) the issuance by the Secretary of a request  
13 for proposals for the implementation of installation  
14 programs, and

15           “(2) the issuance by the Secretary of a request  
16 for proposals for the implementation of dispute reso-  
17 lution program,

18 as provided in this title. The Secretary shall also ensure  
19 that no conflict of interest arises from the award of any  
20 such contracts.”.

Page 208, line 17, strike the quotation marks and the last period.

Page 208, after line 17, insert the following:

1           “(3) PAYMENTS TO STATES.—On and after the  
2           effective date of the Manufactured Housing Im-  
3           provement Act, the Secretary shall continue to fund  
4           the States having approved State plans in amounts  
5           which are not less than the allocated amounts based  
6           on the fee distribution system in effect on the day  
7           before the effective date of such Act.”.

Page 208, lines 20 and 21, strike “5(b)” each place such term appears and insert “1105(b)”.

Page 209, line 19, after the period insert the following: “The order establishing the dispute resolution program shall be issued after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code.”.

Page 210, strike lines 7 through 11 and insert “paragraph.”.

Page 211, line 16, after “awarded” insert “after April 6, 2000,”.